



BUILD YOUR BENEFITS

SOCIAL SECURITY
PLANNING FOR
SMALL BUSINESS OWNERS
& SELF-EMPLOYED
PROFESSIONALS

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United Wealth Solutions

The Self Employed Social Security & Retirement E-Book

Chapter 1: Understanding Social Security as a Self Employed Person

Social Security benefits are calculated based on your lifetime earnings history reported to the IRS. When you are self-employed, you take full responsibility for paying into Social Security through the Self-Employment Tax, which replaces the employer/employee split traditional workers have.

This chapter will help you understand how Social Security functions, why profit reporting matters long-term, and how early planning ensures retirement income you can rely on later in life.

Chapter 2: How You Earn Social Security Credits

Social Security credits are earned through reported net income. For 2025, every \$1,730 in net profit equals one credit, with a maximum of four credits per year. Most workers will need 40 total credits, equal to about 10 years of work, to qualify for retirement benefits.

Even small businesses that show modest annual profit can build credits consistently. The key is consistency — reporting profit every year, even if it's small, keeps you on track for long-term eligibility.



Chapter 3: How Your Taxes Build Your Retirement

As a business owner, you pay a 15.3% self-employment tax — 12.4% goes to Social Security and 2.9% goes to Medicare. When you file a tax return showing business profit, you are automatically building your Social Security record toward retirement income.

Think of Social Security as a long-term investment: what you pay today becomes guaranteed income later in life. Paying taxes may reduce take-home income now, but it increases lifetime retirement earnings later.

Chapter 4: The Profit Strategy for Maximum Retirement Benefits

Your future benefits are based on your average income over your working lifetime, so showing profit is essential for larger retirement checks. Higher reported profit over time = higher benefits when you retire.

Even if you start small, reporting profit every year builds long-term value. The goal is to eventually increase profits, raise taxable income, and strengthen Social Security earnings credits over time.

Chapter 5: Tax Planning & S Corp Strategy

Once your income grows, switching to an S-Corporation structure can reduce your total tax burden. You would pay yourself a reasonable W-2 salary, which counts toward Social Security benefits, while remaining profit can be taken as distributions taxed at a lower rate.

This strategy allows you to contribute toward retirement while legally reducing taxes — saving thousands annually when done correctly with an accountant or tax planner.

Chapter 6: Private Retirement Planning (Your Roth, T Bills, ETFs, Business Income)

Social Security is just one retirement tool — not the whole plan. Building wealth privately protects you from relying solely on government income. Consider pairing Social Security earnings with a Roth IRA, T-Bills, ETFs, real estate, or reinvestment into your business.

Private investing builds compound growth, giving you more options and financial freedom later in life. A multi-stream approach creates stronger long-term retirement security.

Chapter 7: Annual Tax & Earnings Checklist

- Log into SSA.gov yearly to verify posted earnings.
- Maintain at least \$7,000 in annual net profit to earn credits.
- Keep records of quarterly tax payments.
- Increase reported income as your business grows.
- Review yearly if S-Corp election could benefit you now or later.



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